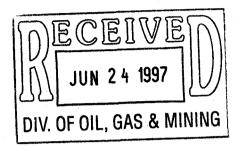
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INITIAL PRODU	ICTION:											
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UNIT:		APITA	WELLS									
COUNTY:	UI	NTAH							-			
WELL NO.	CH	APITA	WELLS UN	IT 489	-13N	API	NO.	43	-047-	32923		
LOCATION]	182 FN	L F	FROM (N) (S) LINE,	1852		FT. FROM (E) (W			NE	<i></i>	1/4 - 1/4 SEC.	13
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95	22E	13	ENRON OI	L & GA	S							

ENRON OIL & GAS COMPANY

P.O. Box 250 Big Piney, WY 83113

June 20, 1997

Utah Division of Oil, Gas, & Mining 1594 West North Temple Box 145801 Salt Lake City, UT 84114-5801



RE: APPLICATION FOR PERMIT TO DRILL CHAPITA WELLS UNIT #489-13N NW/NE, SEC. 13, T9S, R22E, SLB & M UINTAH COUNTY, UTAH LEASE NO. U-0282 FEDERAL LAND-BLM

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone # (801) 789-4120
Fax # (801) 789-1420

Sincerely,

Ed Trotter,

Agent

Enron Oil & Gas Company

Attachments

/EHT/dmt

Form 3160-3 (July 1992)

SUBMIT IN TRIPLICATE. (Other instructions on reverse side)

UNITED STATES

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

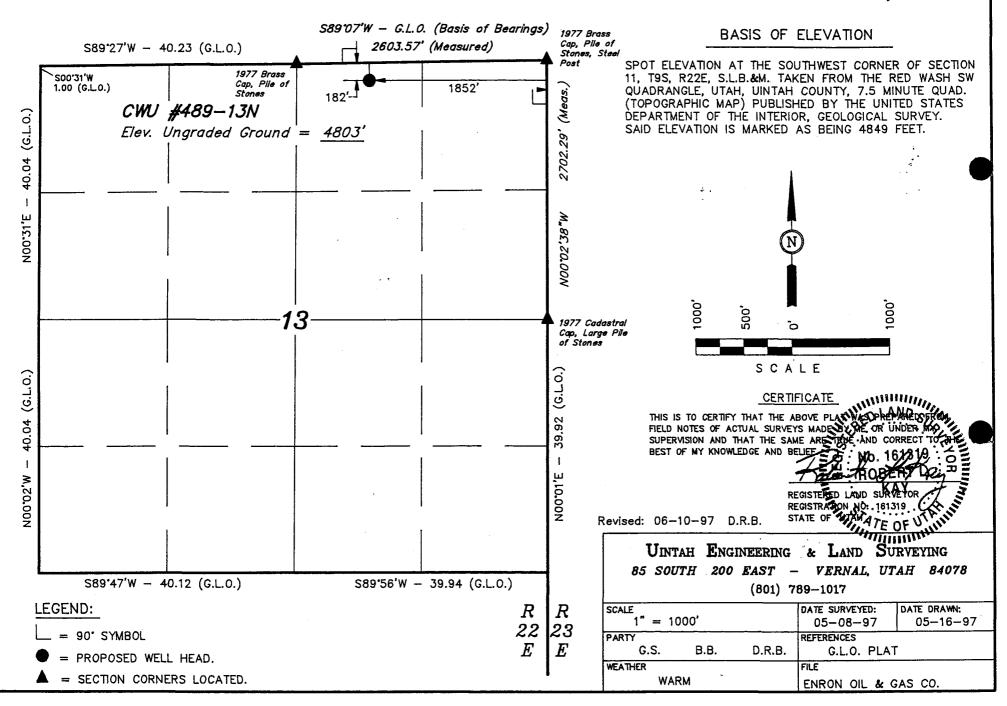
0 1	BUREAU OF	LAND MANA		, -		5. LEASE DESIGNATION AND SERIAL NO.			
				make a second se		U-0282 6. IF INDIAN, ALLOTTER OR TRIBE NAME			
1a. TYPE OF WORK	ICATION FOR P	ERMIT TO	DRIL	L OR DEEPEN	<u> </u>	- AND ANAL AND LINE OR TRIBE NAME			
b. TYPE OF WELL	AS OTHER	DEEPEN		ungle [] Mul	riple ()	7. UNIT AGREEMENT NAME CHAPITA WELLS UNIT			
2. NAME OF OPERATOR				ONE ZONE		8. FARM OR LEASE NAME, WELL NO. CHAPITA WELLS UNIT			
ENRON OIL & 3. ADDRESS AND TELEPHONE NO.	GAS COMPANY					9. API WELL NO.			
	*					#489-13N			
4. LOCATION OF WELL (R	15, VERNAL, U	In accordance wi	/8	State manufacture to a		10. FIELD AND POOL, OR WILDCAT			
182'	FNL & 1852' F	EL NW/NE		scate requirements.*)		CWU/WASATCH			
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4. DISTANCE IN MILES .	AND DIRECTION FROM NEAR	REST TOWN OR POS	T OFFI	CONFIDEN	VTIAL_	SEC. 13, T9S, R22E			
19.0 MILES	SOUTHEAST OF	OURAY, UI	'AH	- COM TOE	, , ,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12. COUNTY OR PARISH 13. STATE			
5. DISTANCE FROM PROPO LOCATION TO NEAREST	OSED*			O. OF ACRES IN LEASE		UINTAH UTAH OF ACRES ASSIGNED			
PROPERTY OR LEASE I	LINE, FT. 1827		2	440		HIS WELL 80			
 DISTANCE FROM PROP TO NEAREST WELL, D 	OSED LOCATION*		19. P	ROPOSED DEPTH	20. ROTA	RY OR CABLE TOOLS			
OR APPLIED FOR, ON THE	IS LEASE, FT.		7	050'	ROT	ARY			
4802.4 GRAD						22. APPROX. DATE WORK WILL START*			
3.				· · · · · · · · · · · · · · · · · · ·		JUNE 1997			
STEE AS TAKE		,		CEMENTING PROGR	AM				
12 1/4"	GRADE, SIZE OF CASING 9 5/8"	WEIGHT PER FO	от	SETTING DEPTH		QUANTITY OF CEMENT			
7 7/8"	4 1/2"	32.3# 10.5#		7050	125 S	X CLASS "G" + 2% CaC1			
		10.5#		7050.	+ 1/4	#/SX CELLOFLAKE. 50/			
1					TO 40	X + 2% GEL + 10% SALT O' ABOVE ALL ZONES OF EST (+10% EXCESS).			
SEE ATTACHMEI	NTS FOR:	0.031	ГIП	CNTIAL	+ LCM	CEMENT (11 PPG_) TO 200' ABOVE OIL			
O DOTNIM DI SAL		LUN	TIU	ENTIAL	SHALE	OR FRESH WATER			
3 POINT PLAN BOP SCHEMATIO	c c	0.0.1				VALS (+ 5% EXCESS).			
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COCATION PLAT	r	LIMI	CO	VFIDENTIAL	•				
	MAPS "A", "B"					00/01/11			
SAS SALES PIR	PELINEMAP "	D".		DESIGNATED	A GAS (COMPANY WILL BE THE			
ACILITY DIAC	GRAM	4		WELL UNDER		TOR OF THE SUBJECT WIPE BOND # 81307603			
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ABOVE SPACE DESCRIBE	PROPOSED PROGRAM, IC.			//\\\ \	2 L 100	7			
epen directionally, give pertin	nent data on subsurface location	s and measured and tri	give data 1e vertica	on present productive 2616 deprise Give plowout pres	e and proposed enter program, i	new productive zone. If proposal is to drill or if any.			
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V	-047-3292			APPROVAL DATE	· · · · · · · · · · · · · · · · · · ·				
Application approval does no CONDITIONS OF APPROVAL	ot warrant or certify that the appl IF ANY:	icant holds legal or equ	uitable titl	e to those rights in the subjec	t lease which wo	uld entitle the applicant to conduct operations thereon.			
	1 D D					•			
APPROVED BY	- T. Dy.	TITLE	Per	troleum Ena	inger	7/13/97			

*See Instructions On Reverse Side

ENRON OIL & GAS CO.

Well location, CWU #489-13N, located as shown in the NW 1/4 NE 1/4 of Section 13, T9S, R22E, S.L.B.&M. Uintah County, Utah.

T9S, R22E, S.L.B.&M.



EIGHT POINT PLAN

CHAPITA WELLS UNIT #489-13N NW/NE SEC. 13, T9S R22E, SLB & M UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River	2137		
Oil Shale	2137		
"H" Marker	3512		
"J" Marker	4152		
Base "M" Marker	4582		
Wasatch	4932		
Peters Point	4932	GAS	2000
Chapita Wells	5462	GAS	2000
Buck Canyon	6022	GAS	2000
Island	6945	GAS	2000
EST. TD	7050' Ant	icipated BHP 2000 PS	भ

PRESSURE CONTROL EQUIPMENT:

BOP Schematic Diagram attached.

4. CASING PROGRAM:

3.

							MINIMUM	SAFELY FA	CTOR
HOLE SIZE	<u>INTERVAL</u>	LENGTH	<u>SIZE</u>	WEIGHT	GRADE	THREAD	COLLAPSE	BURST TEN	<u>ISILE</u>
12 1/4	0' - 240'	240'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 7050'	7050'	4 1/2	10.5 #	J-55	ST&C	4010 PSI	4790 PSI	146,000#

All casing will be new or inspected.

5. MUD PROGRAM

MUD TYPE
Air
Air/Mist & Aerated Water
Air/3% KCL water or KCL substitute
Gel/polyacrylamide polymer w/5-10% LCM

Lost circulation probable from 1500' to 3000' +/-.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

CHAPITA WELLS UNIT #489-13N NW/NE, SEC. 13, T9S R22E, SLB & M UINTAH COUNTY, UTAH

6. <u>VARIANCE REQUESTS:</u>

- A. Enron requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).
- B. Enron requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooic line. (Not required on aerated water system).

7. **EVALUATION PROGRAM:**

Logs:

SCHLUMBERGER WIRELINE

Base of Surface Casing to Total Depth

Platform Express with Microlog & SP

FDC-CNL-Cal-PE: 3300' to TD

Cores:

None Programmed

DST':

None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

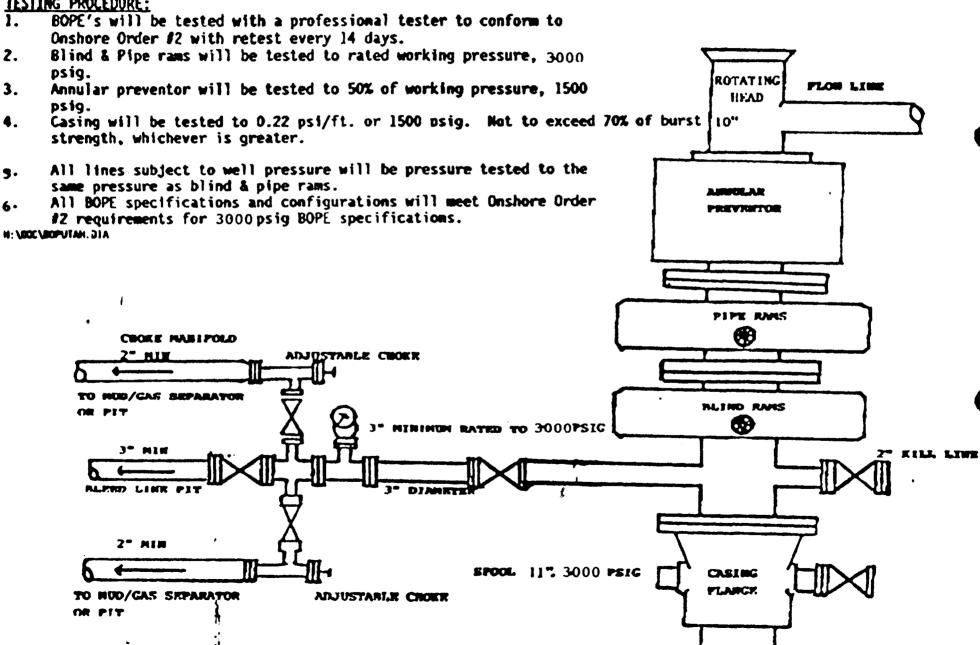
10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in associaton with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in associaton with the drilling of this well.

(Attachment: BOP Schematic Diagram)

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000' PSIG RATED. CASING FLANGE IS 11° 3000PSIG RATED. BOPE 11° 3000 PSIG

TESTING PROCEDURE:



CONDITIONS OF APPROVAL FOR THE SURFACE USE PROGRAM OF THE APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enron Oil & Gas Company

Well Name & Number: Chapita Wells Unit #489-13N

Lease Number: <u>U-0282</u>

Location: 182' FNL & 1852' FEL, NW/NE, Sec. 13, T9S, R22E, SLB & M

Surface Ownership: Federal Land-BLM

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of

location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice

- at least twenty-four (24) hours prior to spudding the

well.

Casing String and

Cementing

- twenty-four (24) hours prior to running casing and

cementing all casing strings.

1

BOP and related

Equipment Tests

- twenty-four (24) hours prior to running casing and

tests.

First Production

Notice

- within five (5) business days after new well begins

or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice To Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 19.0 miles southeast of Ouray, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.6 miles in length. See attached TOPO Map "B"
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 8%
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road.

Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of- Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Enron Oil & Gas Company shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells None
- B. Abandoned wells 1*
- C. Temporarily abandoned wells None.
- D. Disposal wells None.
- E. Drilling wells None.
- F. Producing wells 6*
- G. Shut in wells None
- H. Injection wells None
 (*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

1. Tank batteries - None

- Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of well head valves, separator, dehy, 210 Bbl condensate tank, meter house and attaching piping.
 See attached facility diagram.
- 3. Oil gathering lines None
- 4. Gas gathering lines- A 4 1/2" gathering line will be buried from dehy to the edge of location.
- 5. Injection lines None
- 6. Disposal lines None
- 7. Surface pits None

B. OFF WELL PAD

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4 1/2" OD steel above ground natural gas pipeline will be laid approximately 3000' from proposed location to a point in the SW/4 of Section 12, T9S, R22E, where it will tie into Questar Pipeline Co's existing line. Proposed pipeline crosses BLM administered lands within the Chapita Wells Unit, thus no Right-of-Way grant will be required.
- 3. Proposed pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the South side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW Sec. 35, T9S, R22E Uintah County, Utah (State water right #49-1501).
- B. Water will be hauled by Target Trucking Inc..
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and disposed of at an authorized disposal site.
 Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

Burning of trash will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge.

The reserve pit shall be lined.

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order No.7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the North side of the location. The flare pit will be located downwind of the prevailing wind direction on the North side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the West end and South side.

Access to the well pad will be from the West.

N/A Diversion ditch(es) shall be constructed on the
side of the location (above/below) the cut slope, draining to
the
N/A Soil compacted earthen berm(s) shall be placed on the
side(s) of the location between the
N/A The drainage(s) shall be diverted around the sides of the well pad location
N/A The reserve pit and/or pad locations shall be constructed long and
narrow for topographic reasons
X Corner No. 6 will be rounded off to minimize excavation.

FENCING REQUIREMENTS

All pits will be fenced according to the following minimum standards:

- A. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly travelled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on federal land, or any fence between federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road:	<u>Federal</u>
Location:	Federal

12. <u>OTHER INFORMATION</u>

A. Enron Oil & Gas Company will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, Enron Oil & Gas Company will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs).

N/A_No construction or drilling activities shall be conducted between ______ and _____ because of ______

N/A_No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

N/A_No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.

N/A_There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

N/A_No cottonwood trees will be removed or damaged.

N/A_Pond will be constructed according to BLM specifications approximately ft. of the location, as flagged on onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

OPER	ATIONS	PERMITTING
Enron Oil & Gas Company	Enron Oil & Gas Company	Ed Trotter
P.O. Box 250	P.O. Box 1815	P.O. Box 1910
Big Piney, WY 83113	Vernal, UT 84078	Vernal, UT 84078
Dennis Brabec	George McBride	Telephone (801) 789-4120
Telephone (307) 276-3331	Telephone (801) 789-0790	Fax # (801) 789-1420

All lease/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Enron Oil & Gas Company is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

Certification:

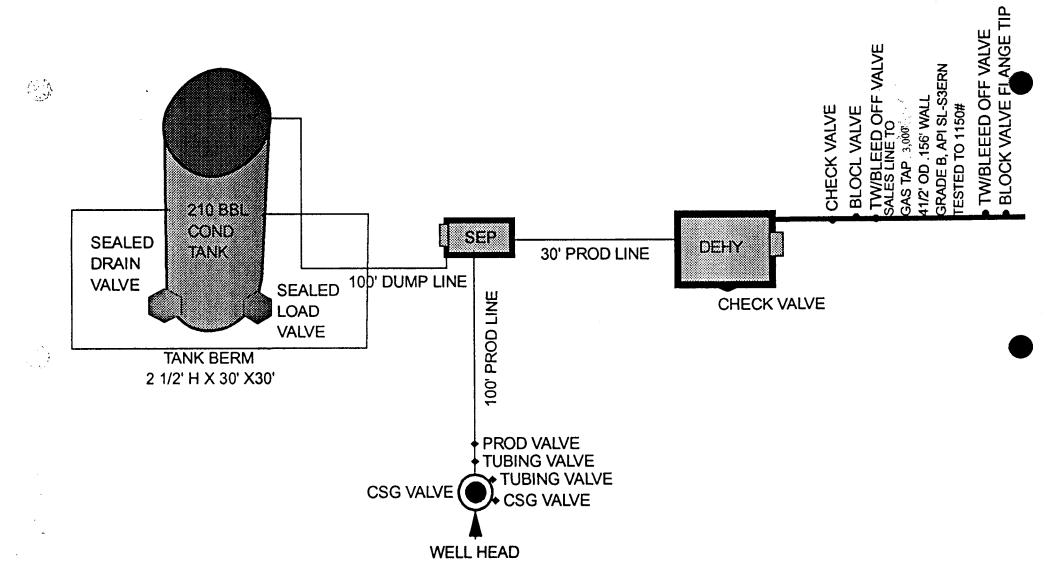
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enron Oil & Gas Company and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

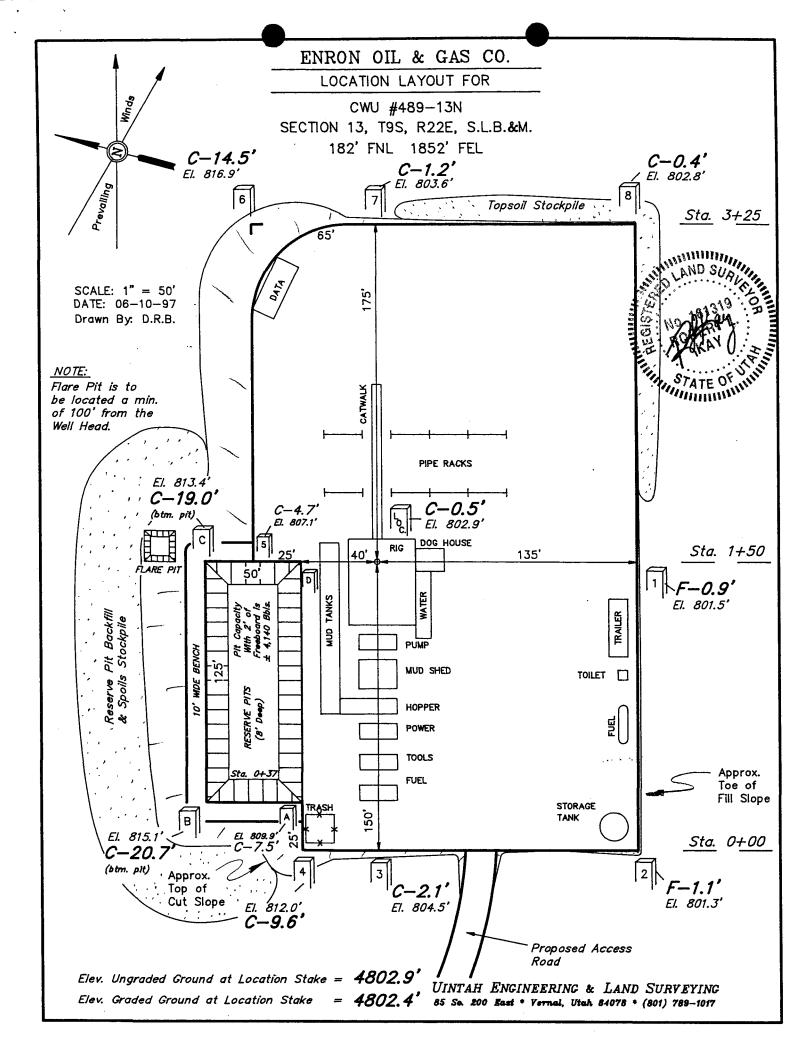
Date

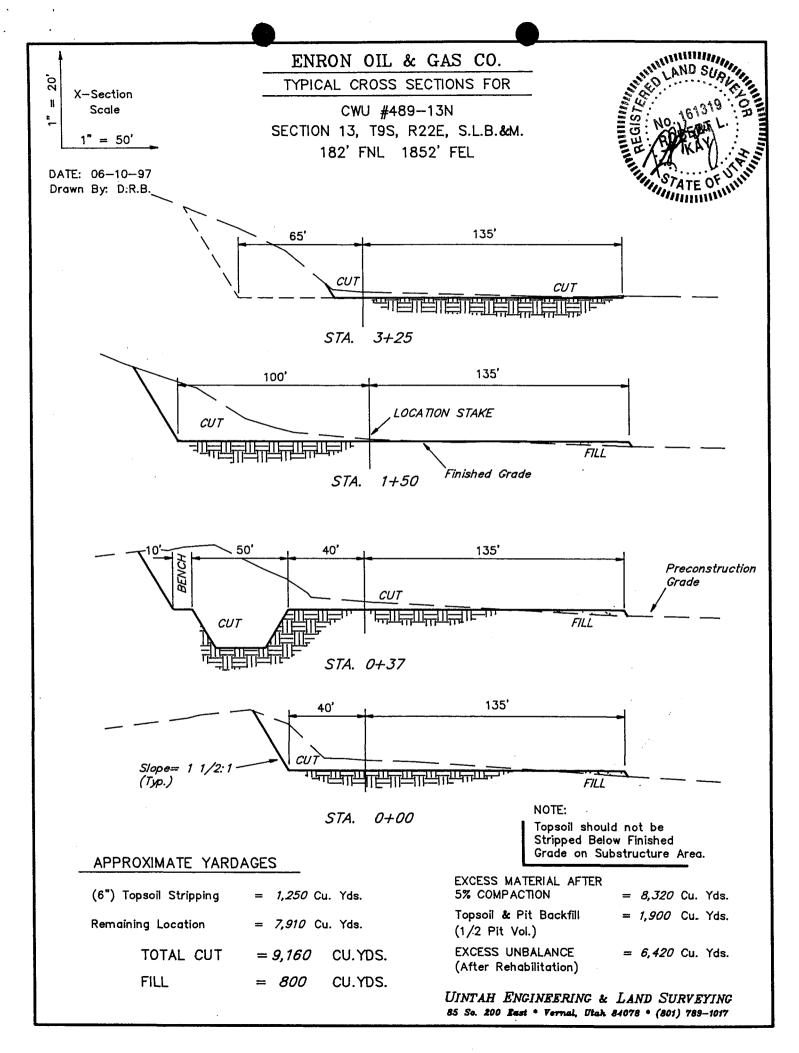
Ed Trotter-Agent-

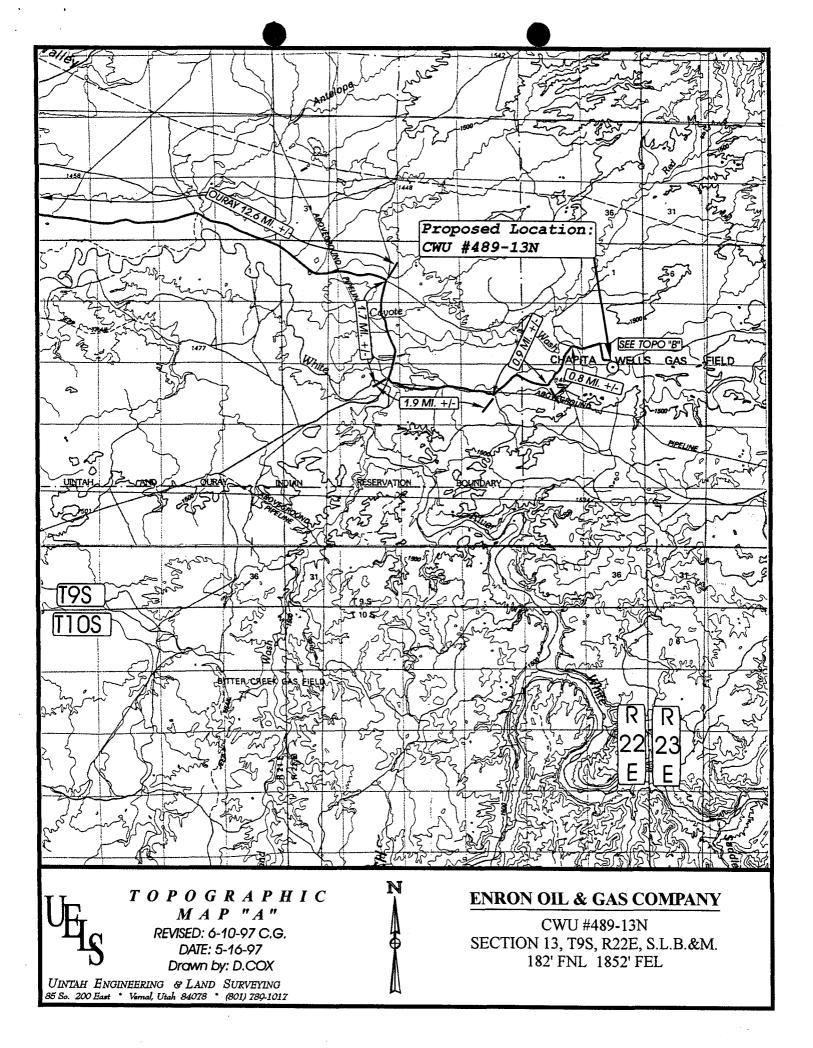
Enron Oil & Gas Company

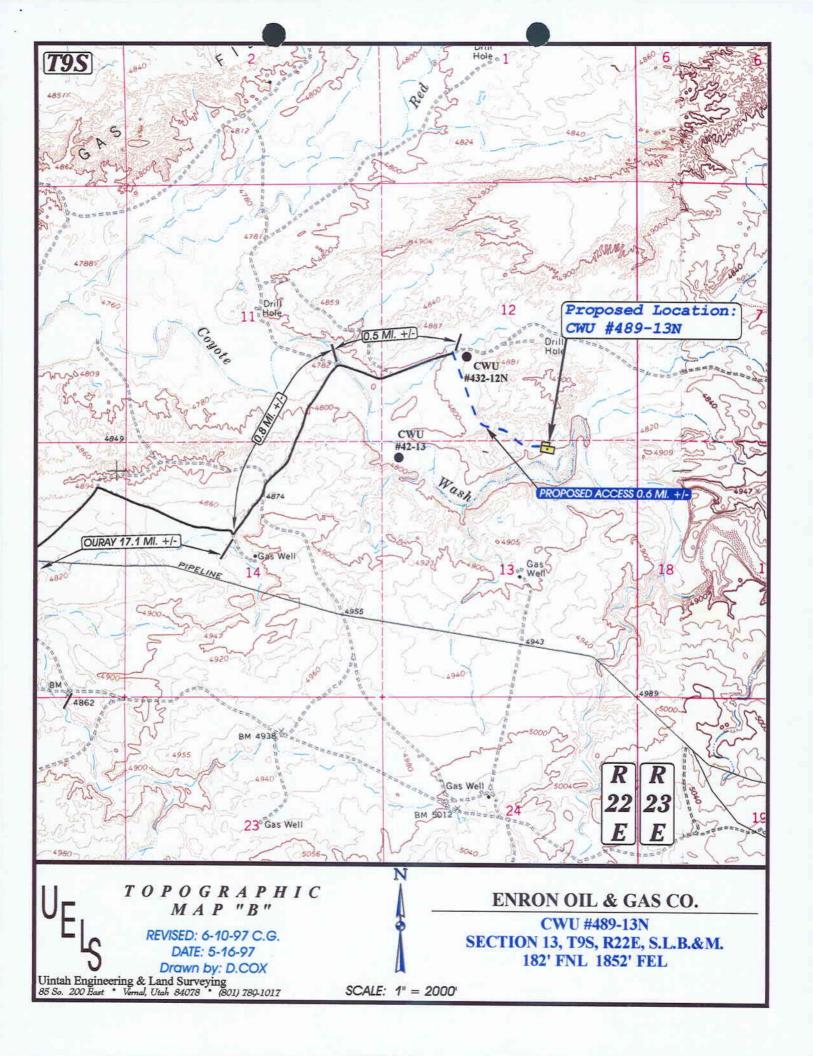
CHAPITA WELLS UNIT #489-13F SEC. 13, T9S, R22E, NW/4 NE/4 UINTAH COUNTY, UTAH FEDERAL LEASE NO. U-0282

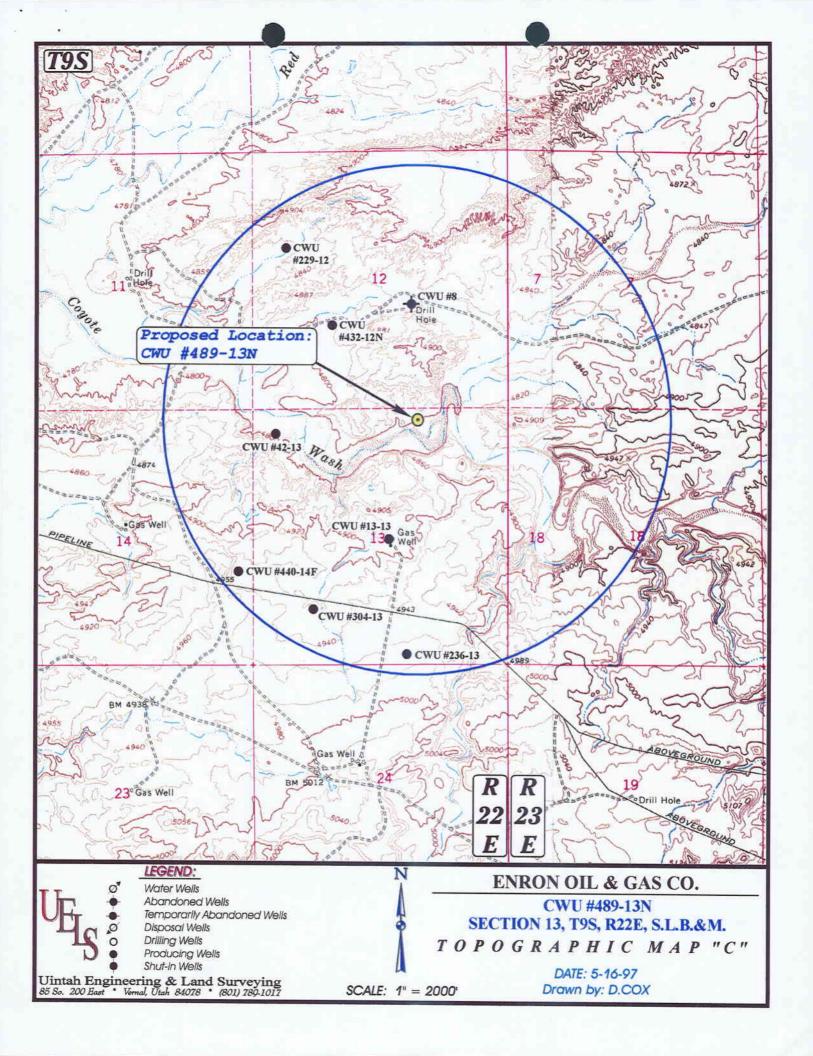


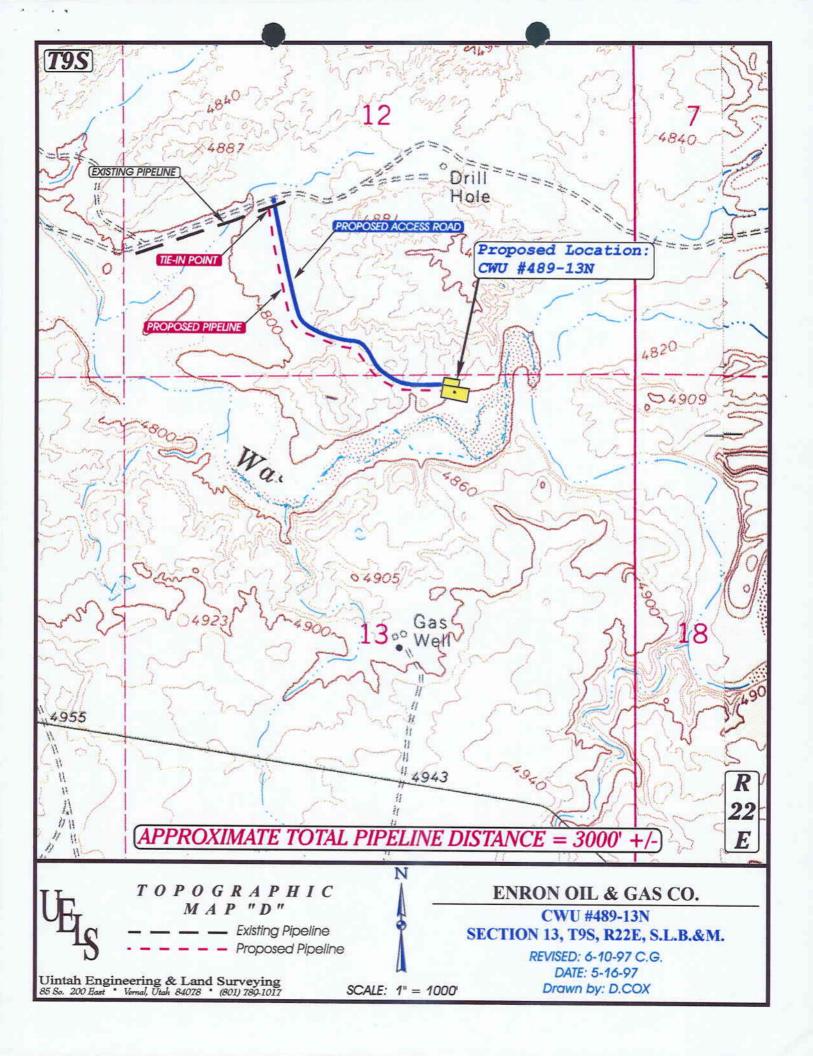












WORKSHEET APPLICATION FOR PERMIT TO DRILL

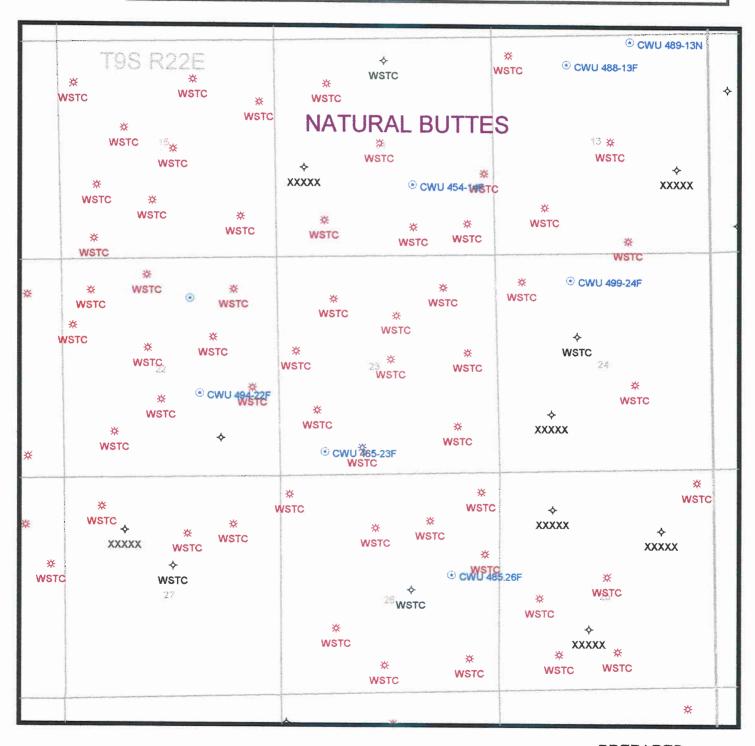
APD RECEIVED: 06/24/97	API NO. ASSIGNED: 43-047-32923
WELL NAME: CWU 489-13N OPERATOR: ENRON OIL & GAS (N040)	<u>1)</u>
PROPOSED LOCATION: NWNE 13 - T09S - R22E SURFACE: 0182-FNL-1852-FEL BOTTOM: 0182-FNL-1852-FEL UINTAH COUNTY NATURAL BUTTES FIELD (630) LEASE TYPE: FED LEASE NUMBER: U - 282 PROPOSED PRODUCING FORMATION: WSTC	INSPECT LOCATION BY: / / TECH REVIEW Initials Date Engineering Geology Surface
RECEIVED AND/OR REVIEWED: Plat Bond: Federal[Y State[] Fee[] (Number 91307603) Potash (Y/N) Oil shale (Y/N) Water permit (Number 49-1601) RDCC Review (Y/N) (Date:)	LOCATION AND SITING: R649-2-3. Unit: CHAPITA WELLS R649-3-2. General. R649-3-3. Exception. Drilling Unit. Board Cause no: Date:
COMMENTS:	
STIPULATIONS: /- Oi/ Shale	3hip.
	,

OPERATOR: ENRON OIL & GAS (N0401)

FIELD: NATURAL BUTTES (630)

SEC, TWP, RNG: 13,22,23,24,26, T9S, R22E

COUNTY: UINTAH UAC: R649-2-3 CHAPITA WELLS



PREPARED: DATE: 25-JUNE-97



Michael O. Leavitt Governor Ted Stewart Executive Director James W. Carter

Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) Division Director 801-538-7223 (TDD)

July 15, 1997

Enron Oil & Gas Company P.O. Box 1815 Vernal, Utah 84078

Re: Chapita Wells Unit 489-13N Well, 182' FNL, 1852' FEL, NW NE, Sec. 13, T. 9 S., R. 22 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32923.

Sincerely,

Lowell P. Braxton

Deputy Director

lwp

Enclosures

Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: _		Chapita Wells Unit 489-13N							
Well Name & :	Number: _								
API Number:		43-04	7-3292	3					
Lease:	·- · · · · · · · · · · · · · · · · · ·	U-028	32						
Location:	NW NE	Sec.	13	т.	9 S.	R.	22 E.		

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334 or Mike Hebertson at (801) 538-5333.

- 3. Reporting Requirements
 - All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
- 4. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the 4%" casing is cemented over the entire oil shale section as defined by Rule R649-3-31.

(Other instructions on reverse side)

FORM APPROVED

UNITED STATES
DEPARTMENT OF THE INTERIOR

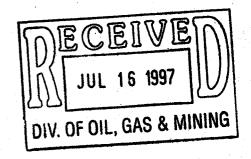
OMB	NO. 1004-0136	
Expires:	February 28, 1995	

0 5	BUREAU OF		U-0282					
	CATION FOR P	ERMIT TO	PRILL	OR DEEPEN		6. IF INDIAN, ALLOTTE	OR TRIBE NAME	
1a. TYPE OF WORK	LL 🗵	DEEPEN [7. UNIT AGREEMENT N		
b. Type of well				NAT SETT MEN		CHAPITA WE		
OIL GAWELL WILL WILL WILL WILL WILL WILL WILL	S OTHER	·		NE ZONE		8. FARM OR LEASE NAME, WE CHAPITA WE		
ENRON OIL &	GAS COMPANY	•				9. AM WELL NO.	dan dan menganakan sebagai se	
3. ADDRESS AND TELEPHONE NO.						#489-13N	<u> </u>	
P.O. BOX 183	15, VERNAL, Upport location clearly and			tate requirements.*)		10. FIELD AND POOL, C		
	FNL & 1852' E			RECEIVE	: D	11. SEC., T., R., M., OR AND SURVEY OR AL	BLK.	
At proposed prod. zon	e			JUN 2 3 199			T9S, R22E	
14. DISTANCE IN MILES A				• 0014 5 4 133	4	12. COUNTY OR PARISH	13. STATE	
19.0 MILES	SOUTHEAST OF	OURAY, UT		<u> </u>		UINTAH	UTAH	
15. DISTANCE FROM PROPO LOCATION TO NEAREST PROPERTY OR LEASE L (Also to nearest drig	INE, 5T. 182			o. of acres in lease		OF ACRES ASSIGNED HIS WELL 80		
18. DISTANCE FROM PROP TO NEAREST WELL, D	osed location ^o Rilling, completed,			OPOSED DEPTH	20. ROTA	ABY OR CABLE TOOLS		
OR APPLIED FOR, ON THE		<u> </u>	1 70)50'	1	22. APPROX. DATE WORK WILL START*		
4802.4 GRAD		•		•		JUNE 1997	7	
23.		PROPOSED CASI	ING ANI	CEMENTING PROGRA	М		<u></u>	
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER F	оот	SETTING DEPTH	1	QUANTITY OF CEME	NT	
12 1/4"	9 5/8"	32.3#		240'	125 S	X CLASS "G"	+ 2% CaCl ₂	
7 7/8"	4 1/2"	10.5#		7050'		#/SX CELLOI X + 2% GEL -		
LOCATION PLA LOCATION LAY TOPOGRAPHIC GAS SALES PI FACILITY DIA	C AND OPERATING T OUT MAPS "A", "B PELINEMAP GRAM	", AND "C" "D" L COND	JUL FOIL	ENRON OIL & DESIGNATED WELL UNDER	INTER LIGHT + LCM SHALE INTER GAS OPERA NATIO	O' ABOVE ALI EST (+10% EZ CEMENT (11 TO 200' ABO OR FRESH WALS (+ 5%) COMPANY WILL TOR OF THE ONWIDE BOND	CHED	
24.	X							
SIGNED	el with	Т	TILE A	GENT	•	DATE 6	10-1947	
(This space for Federal	eral or State office use)			•				
PERMIT NO.				APPROVAL DATE			natural de la constanti de la constanti de l	
Application approval does CONDITIONS OF APPROVA		applicant holds legal or	Ass	itle to those rights in the subject sistant Field Manage Mineral Resources		would entitle the applicant to o		

*See Instructions On Reverse Side

Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the ny false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL



Company/Operator:	Enron Oll & Gas	Company
Well Name & Numb	per: <u>CWU 489-13</u>	BN
API Number: 43	3-047-32923	· · ·
Lease Number:	U-0282	

Location: NWNE Sec. 13 T. 9S R. 22 E

NOTIFICATION REQUIREMENTS

Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.

Toaus,

Location Completion - prior to moving on the drilling rig.

Spud Notice - at least twenty-four (24) hours prior to spudding the well.

Casing String and - at least twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and Related - at least twenty-four (24) hours prior to initiating pressure tests.

Equipment Tests

First Production - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative by the operator to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. <u>Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered</u>

Report <u>ALL</u> water shows and water-bearing sands to Tim Ingwell of this office **prior to** setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

COA's Page 3 of <u>8</u> Well: CWU 489-13N

Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the Usable Water, identified at ± 1117 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

The Gamma Ray and Induction Logs need to be pulled from TD to the Surface Shoe.

A cement bond log (CBL) will be run from the production casing shoe to \pm 917 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. <u>Notifications of Operations</u>

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours **prior** to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

<u>Immediate Report</u>: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

COA's Page 5 of <u>8</u> Well: CWU 489-13N

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

(801) 781-4410

Wayne Bankert Petroleum Engineer	(801) 789-4170
Ed Forsman Petroleum Engineer	(801) 789-7077
Jerry Kenczka Petroleum Engineer	(801) 789-1190

BLM FAX Machine

COA's Page 7 of <u>8</u> Well: CWU 489-13N

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

- -No construction or drilling will be allowed during the redtail hawk nesting season from April 1 to July 15.
- -It is not necessary to stockpile topsoil on this location. The topsoil will be left in place and the fill will be placed over the topsoil.
- -On the low water crossing just west of the location, the wash will be excavated 2 1/2 feet below the wash, a geotextile fabric installed in the bottom, and the rock from the location will be placed in the crossing area.
- -The road should be crowned at between 2 to 3 %.
- -When plowing snow during the winter months, the snow should be plowed outside of the burrow ditches to prevent the snow melt from saturating the road during the spring.

Date:

Subject:

Margie Herrmann/<mh

NRDOMAIN. NROGM (DSTA)

8/4/98 4:42pm

Rescind well permits?? - Reply

Hi Don,

Status of the following permits.

API

OPERATOR

WELL

NAME

LOCATION

43-013-31840

Barrett

Ute Tribal 5-22

22-5S-4W

-- THIS HAS BEEN EXTENDED TO 5/30/99.

4PD

43-047-32923

Enron

CWU 489-13N

13-9S-22E

-- THIS HAS EXPIRED (THEY THOUGHT IT HAD BEEN SPUD. RITA IN BIG PINEY. SHE CHECKED THE RECORDS.

FINALLY TALKED TO THEY HAVE BUILT THE LOCATION,

BUT NO SPUD.) YOU SHOULD BE RECEIVING A LETTER FROM US IN A FEW DAYS.

The two Coastal locations you inquired about do not expire until 9/3/98. So far the extensions have not been approved, but we have about a month. I will let you know.

Margie

CC: WELL FILE



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, Utah 84078-2799

Phone: (435) 781-4400 Fax: (435) 781-4410

IN REPLY REFER TO: 3160 UT08300

Enron Oil & Gas Company Attn: Dennis Brabec

P O Box 250

Big Piney, WY 83113

August 3, 1998

DOGM LA' AUG 06 1998

DIV. OF OIL, GAS & MINING

Re:

Notification of Expiration Well No. CWU 489-13N Section 13, T9S, R22E Lease No. U-0282

43-047-32923

Dear Mr. Brabec:

The Application for Permit to Drill the above-referenced well was approved on July 14, 1997. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

According to our records, the location has been constructed for this drill site. All surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely.

Margie Herrmann

Legal Instruments Examiner

cc:

State Div. OG&M

Enron Oil & Gas Co. - Vernal

Ed Trotter